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# Approved For Release 2004/10/12 - SEA-RDF88-01314R000300280021-0 ADD ALL S GOING WELL CIA 3-03 CIA DIRECTOR COLBY'S O'

Americans are now able to get a rare glimpse of the Soviet Union through the eyes of this country's intalligence chief.

William E. Colby, Director of the Central Intelligence Agency, in recent reports to congressional committees pictured Russia as racing hard to overtake the U. S.—but still lagging in strategic nuclear power and trailing even more in economic performance.

What follows is the CIA Director's size-up, based on the latest information gathered and analyzed by this country's secret intelligence organization.

## Soviet Defense Spending

The Soviet Union is now spending more in dollar terms on defense than the U.S. The CIA estimate is based on extremely complex and sophisticated calculations by intelligence experts of what it would cost America to maintain the kind of military establishment that the Russians support.

The cost: more than 80 billion dollars a year-about 4 billion more than U.S. military expenditures for the 1973 fiscal year that ended last June 30.

In the words of Mr. Colby:

"From the late 1950s until 1970, U.S. defense outlays exceeded the estimated dollar cost of the Soviet effort. Since 1970 the Soviet effort, measured in dollar terms, has exceeded that of the United States. This catching up is a result of steady increases in Soviet spending, while U.S. spending, measured in constant terms, declined."

The main reason for Russia's higher level of defense spending: expansion of the armed forces by an additional 1 million men. As a result, the Soviets have about 4 million men under arms 1.8 million more than the U.S.

#### Military Efficiency

Russia's numerical advantage in military strength is offset to some extent by the superior quality of American forces.

Soviet servicemen get less training than their American counterparts and less operational experience. For exam-



CIA's Colby "goes public" with unusual appraisal of Russian strength, weakness.

ple: The Soviet Navy "stays at anchor a lot more than they sail."

Also: The Red Army spends less time on maneuvers than U.S. troops, and Soviet airmen fly about half as many hours as American Air Force pilots.

"In all of their forces," Mr. Colby reports, "they [the Soviets] operate much less extensively."

#### Superpower Missile Race

At a time of growing American fears about a Russian drive to gain strategic superiority, the CIA analysis underlines this conclusion: The Soviets are still lagging behind the U.S. in the strategicarms race.

To quote the chief of the U.S. intelligence agency:

"The complexity of their missile system, their accuracies, their various other things, have traditionally been behind ours. There is no question about that And they are just driving to catch up."

He reveals that Soviet spending on the production of new strategic weapons in recent years actually declined. Now, this downward trend is expected to be reversed with the development of four new intercontinental-missile systems.

### Indian Ocean Threat

Mr. Colby implicitly discounts warn-

Egypt: Suez helped Moscow increase is

that part of the world. The forces the Soviets have deployed in the Indian Ocean, however, have been relatively small and inactive."

How far and how fast the Russians expand their naval presence in the Indian Ocean in the future, the CIA director predicts, will depend largely on

"If there is no substantial increase in U.S. naval forces in the area, we believe the Soviet increase will be gradual, say one to two surface combatants per year."

But a substantial increase in the American naval presence would lead to a "faster and larger" Soviet naval buildup, Mr.Colby warns.

Another development which the CIA believes would lead to an intensified Soviet presence in the Indian Ocean: congressional approval of an American Navy proposal to expand its base on the island of Diego Garcia.

On the other hand, the U.S. intelligence chief challenges the argument that reopening of the Suez Canal with lead automatically to a significant increase in Soviet naval strength in the Indian Ocean. The Russians, he says, might send a few ships from their Mediterranean fleet through the Canal, but a major increase is ruled out for this reason:

"The U.S.S.R. probably recognizes that the Canal is subject to closure in a crisis. The Soviets would not wish to be caught with a substantial proportion of their available units on the wrong end of a blocked Canal."

#### Technology Gap

This is "becoming a vexing political dilemma for Soviet leaders, as well as a crucial economic problem.

The reason: "This gap is an across-theboard one-from ICBM [intercontinental ballistic missile] systems to electric razors—and increasing contacts with the developed West have made it harder to conceal this situation from the Russian people.

Trade with the developed West is Approved For Release 2004/10/12: CIA-RDP88-01314R000300280021-0 Kremlin "as essential to